

MINUTES

SOUTHEASTERN WISCONSIN REGIONAL PLANNING COMMISSION

ADMINISTRATIVE COMMITTEE

Thursday, October 26, 2006

1:30 p.m.

SEWRPC Office Building
Commissioners' Conference Room
W239 N1812 Rockwood Drive
Waukesha, Wisconsin

Present:

Excused:

Committee Members:

Paul G. Vrakas, Chairman
Thomas H. Buestrin
Adelene Greene
Allen L. Morrison
Daniel S. Schmidt
David L. Stroik
Gustav W. Wirth, Jr.

William R. Drew
Richard A. Hansen
Linda J. Seemeyer

Absent:

Staff:

Philip C. Evenson
Loretta Watson

Executive Director
Executive Secretary

Guests:

Robert W. Kabitzke

David L. Scrima, S.C.

ROLL CALL

Chairman Vrakas called the meeting to order at 1:35 p.m. Roll call was taken and a quorum declared present. Mr. Evenson noted for the record that Commissioners Drew, Hansen, and Seemeyer had asked to be excused.

APPROVAL OF MINUTES OF SEPTEMBER 28, 2006, MEETING

On a motion by Mr. Wirth, seconded by Mr. Schmidt, and carried unanimously, the minutes of the Administrative Committee meeting held on September 28, 2006, were approved as published.

REPORT ON INVESTMENT RETURNS ON FUNDS PLACED WITH THE ROCKWOOD DRIVE BUILDING BOND TRUSTEE

Chairman Vrakas noted that the Commission's auditor and financial consultant, Mr. Robert Kabitzke of the David L. Scrima firm in Waukesha, had been asked to appear before the Committee to give a report on the status of the Commission's investments with the Rockwood Drive Building bond trustee, such investments having been made to permit the early retirement of the remaining bonds on the building in March 2011. He then called on Mr. Kabitzke to deliver his report.

Mr. Kabitzke noted that the Commission has made two deposits with the bond trustee – JPMorgan – for this purpose, \$1,000,000 deposited in late fall of 2005 and \$300,000 deposited in the spring of 2006. He then distributed a document (copy attached to Minutes) summarizing his analysis of the situation. He noted that JPMorgan currently holds, on behalf of the Commission, one U.S. Treasury Note for \$1,316,000, paying five percent interest, which note is due on February 15, 2011. That note, he indicated, would yield a total of \$1,671,320 on that due date. Since the bond trustee will require \$2.1 million to retire all of the remaining bonds in March 2011, the funding deficit approximates \$429,000. He suggested that the Commission consider, should budget conditions permit, placing an additional \$360,000 with the bond trustee on or about February 15, 2007. Invested at an interest rate of four percent, he noted, the Commission should then have sufficient funds in 2011 to retire all remaining bonds at that time.

Mr. Evenson commented that the original schedule concerning this matter reviewed by the Administrative Committee in 2005 had foreseen the need to deposit as much as \$500,000 additionally with the bond trustee. The lesser amount now envisioned to be required may be attributed to two factors, a greater than anticipated interest rate on invested funds and an early deposit of additional funds with the bond trustee as compared with the original schedule. He suggested that the Committee reconsider this matter after the first of next year.

A brief discussion then ensued. It was the consensus of the Committee that depending upon an analysis of the Commission's financial situation at the end of 2006, it would be well to place, as recommended by Mr. Kabitzke, an additional \$360,000 with the bond trustee as early as possible in 2007.

Chairman Vrakas then thanked Mr. Kabitzke for his analysis and his advice.

APPROVAL OF DISBURSEMENTS

Chairman Vrakas asked Mr. Evenson to review with the Committee the recent disbursements.

2006 Reporting Period No. 20

Mr. Evenson distributed copies of the Check Register for the 20th financial reporting period of 2006, September 18 to October 1.

In response to an inquiry by Mr. Wirth, Mr. Evenson indicated that the payment listed on page 1 of the Register to Aero-Metric, Inc., related to a Kenosha County mapping program and not to the forthcoming orthophotography program sought by the Federal government in 2007. In response to a follow up question by Mr. Wirth, Mr. Evenson said that the Federally sought-after product in 2007 involves 12 inch pixels and that the counties involved – Ozaukee, Milwaukee, and Waukesha – expressed no desire for a product having a 6 inch pixel resolution. The anticipated 2010 orthophotography project, he said, will

provide the next opportunity for counties to cost-share and obtain a higher resolution product. In response to a question by Mr. Vrakas, Mr. Evenson indicated that the Federal Homeland Security Department desires to obtain orthophotography in major metropolitan areas of the nation every two to three years.

There being no further questions or comments, on a motion by Mr. Morrison, seconded by Ms. Greene, and carried unanimously, the Commission disbursements for the 20th reporting period of 2006 were approved.

Chairman Vrakas, Mr. Wirth, and Mr. Evenson then affixed their signatures to the Check Register for the 20th reporting period of 2006 (copy attached to Official Minutes).

2006 Reporting Period No. 21

Mr. Evenson distributed copies of the Check Register for the 21st financial reporting period of 2006, October 2 to October 15.

In a response to an inquiry by Mr. Buestrin, Mr. Evenson indicated that the payment listed on page 1 of the Register to ASI General, Inc., represents the final payment for the Rockwood Drive Building parking lot improvement project. He noted that the only work remaining involves some minor painting that will be done by the Commission's normal painting contractor.

There being no further questions or comments, on a motion by Mr. Schmidt, seconded by Mr. Wirth, and carried unanimously, the Commission disbursements for the 21st reporting period of 2006 were approved.

Chairman Vrakas, Mr. Wirth, and Mr. Evenson then affixed their signatures to the Check Register for the 21st reporting period of 2006 (copy attached to Official Minutes).

REPORT ON 2007 GROUP MEDICAL INSURANCE PREMIUMS

Mr. Evenson recalled that the Commission participates in the Wisconsin Public Employees Group Insurance Program. That program is governed by the State of Wisconsin Group Insurance Board and is administered by the Wisconsin Department of Employee Trust Funds. He noted that the Commission had recently been informed of the group health insurance rates for calendar year 2007. He then distributed a table identifying those rates to Committee members (copy attached to Official Minutes).

Mr. Evenson noted that most of the rate changes for 2007 were relatively modest increases compared to past years. The largest increase, however, about 10 percent, was experienced in the Humana HMO plan, which happens to be the carrier selected by most Commission staff each year. The staff, he said, is in the process of selecting particular plans for 2007, with the enrollment period expiring at the end of the month. He also reminded the Commissioners that beginning next year, Commission employees would be responsible for payment of 19 percent of the premium costs. He indicated that he would give a full report on the budget impact of the selection process at the next Administrative Committee meeting.

A brief discussion then ensued. In response to an inquiry by Mr. Wirth, Mr. Evenson noted that under the rules of the State program, employers are prohibited from paying more than 105 percent of the premium cost of the lowest cost plan. Mr. Evenson observed, then, that for a relatively high cost plan – such as the standard plan – the Commission would pay 81 percent next year of the plan, subject to a cap of 105 percent of the lowest cost plan. This effectively means that the Commission would pay about 58 percent of the standard plan.

CORRESPONDENCE/ANNOUNCEMENTS

Mr. Evenson reported that there were no announcements or correspondence to be brought to the attention of the Committee.

ADJOURNMENT

There being no further business to come before the Committee, the meeting was adjourned at 2:15 p.m. on a motion by Mr. Schmidt, seconded by Ms. Greene, and carried unanimously.

Respectfully submitted,

Philip C. Evenson
Deputy Secretary

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Attachments